REMARKS/ARGUMENTS

In the previous Office Action, the Examiner rejected claims 1-3, 6, 8-12, 16, 24-26, 29-36, and 39-46 under 35 U.S.C. 103(a) as being unpatentable over Fukuda (U.S. Patent No. 6,549,667) in view of Gobert (U.S. Patent Application Publication No. 2002/0080052 A1). In light of Applicant's remarks in the previous Office Action Response, claims 1-3, 6, 8-12, 16, 24-26, and 29-33 are now allowed. The allowance of the above claims is gratefully acknowledged.

None of the cited references either alone or in combination teach or suggest "wherein a transform coefficient is determined to be near zero when it falls under a percentage of a value calculated using plurality of transform coefficients in the block." The cited references do not appear to even describe determining near zero values. Furthermore, they do not mention how near zero values are determined. By contrast, particular embodiments indicate that near zero values are determined as those being "as less than one percent of the average or maximum of all values."

Claims 34-36 and 39-43 were rejected under 35 U.S.C. 101 as claiming functional descriptive material not sufficiently embodied on a computer readable medium. Claim 34 has been amended to facilitate prosecution. Claim 34 has been amended to recite computer code "stored on the computer readable medium" for applying a filter to the block of transform coefficients. The amendment is believed to overcome the 35 U.S.C. 101 rejection.

Applicant believes that all pending claims are allowable and respectfully requests a Notice of Allowance for this application from the Examiner. Should the Examiner believe that a telephone conference would expedite the prosecution of this application, the undersigned can be reached at the telephone number set out below.

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Respectfully submitted,
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